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Nixon Opposes Freer Red

Fulbright Thinks Stand More Significant Than 'Trade Isolationism Blast'

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There has been a behind-the-scenes struggle within the Administration over liberalizing restrictions on trading with Communist Europe and the President now has sided with the military against any such liberalization.

Chairman J. W. Fulbright (D-Ark.) of the Senate Foreign Relations Committee is known to think that President Nixon's attitude toward trading with the Communists is far more indicative of "the real Nixon" than even the President's measured "new isolationism" blast against critics of the U.S. military in his Air Force Academy speech on June 4.

Fulbright thinks such a relatively minor item as the continuation of the Export Control Act, a 20-year-old holdover from Cold War days, really tells much more about Mr. Nixon's thinking than his oft-repeated promise to lead the country from "an era of confrontation" to "an era of negotiation."

From what now can be learned, both the State Department and the Department of Commerce were, and inwardly still are, in favor of easing U.S. trade restrictions with European Communist nations.

Their argument is that although there is no immediate chance of any new trade boom, such an easement would have a psychological impact in easing tensions. And, from Commerce's point of view, a relaxation would give American businessmen at least a better chance of doing more business with Communist Europe.

But State and Commerce were opposed by the Defense Department, with some assistance from the Treasury, on the argument that any relaxation of U.S. trade controls is a "favor" to the Russians that shouldn't be granted until earned.

The Administration's position was officially established at a National Security Council meeting on May 21. According to an unpublished Senate Foreign Relations Committee staff memorandum, there is good reason to believe that the

President had made up his mind to side with the military even before the meeting began.

In any event, Secretary of Defense Melvin R. Laird presented a position paper against any relaxation that was prepared by his Assistant Secretary for International Security Affairs, G. Warren Nutter, a former chief speech writer for Sen. Barry Goldwater (R-Ariz.) during his presidential campaign.

Secretary of State William P. Rogers was out of the country during the NSC meeting. Although Under Secretary Elliot L. Richardson took his place, the State-Commerce position reportedly was presented by Henry A. Kissinger, the President's Assistant for National Security Affairs.

The State-Commerce position was that the basically punitive Export Control Act should be granted a natural death when it expires today, that efforts now should be made to bring positive liberalization to trade with Eastern Europe, such as

granting Most-Favored Nation status to additional nations.

Two Enjoy MFN Status

Until now, only Yugoslavia and Poland enjoy an MFN status, allowing them to market their goods in the United States at the same price as America's best traders. Yugoslavia earned the right for her early proven independence from the Soviet orbit; Poland gained it for earlier signs of independence that since have been well squashed by the Gomulka regime.

The rest of Communist Europe must raise the prices of the products they wish to market here to the very high levels set by the highly-protectionist Smoot-Hawley tariff act of 1930.

As for the Export Control Act, testimony before Congress has shown that most of the 1300 categories of items on the U.S. Commodity Control list that can't be traded with Communist Europe are non-strategic items that the Communists are buying anyway from Western Europe and Japan.

Tied to Tensions

In testifying before Congress for extending the Export Control Act, Assistant Defense Secretary Nutter declared: "Our policy on relaxing export controls should go hand in hand with relaxation of international tensions."

This is the Administration "linkage" argument that U.S.-Soviet easements of tension should be linked together.

But a high Administration official now indicates that this "linkage" has already been achieved since Jan. 20.

He cites Soviet goodwill in defusing the East-West German impasse over holding West Germany's presidential election in West Berlin; Soviet help in searching for the victims of the U.S. flying Pueblo, the EC-121 shot down by the North Koreans; Soviet goodwill in trying to find some workable peace formula for the Middle East; and, above all, the Soviet indications that

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all these actions are indeed intended as good will toward easing tensions.

But, "linkage" or no, the NSC decision against trade easement was made. Earlier this month, State and Commerce were required to swallow their previous positions and testify before Congress—alongside the Pentagon's Nutter—on behalf of extending the Export Control Act.

As a result, Congress last week took steps to extend the expiring Export Control Act for a temporary 60-day period in order to give trade liberalizers on the Senate and House Banking and Currency Committees a chance to gain support for bills now being drafted.

Lost Before Begun

But to ask Congress to put aside its quarter-century-long misgiving about doing anything that might appear to gratify the Russians—particularly after the White House has made plain its opposition—is a battle lost before it has begun.

"Russia is happy to have us treat countries in Eastern Europe harshly," Sen. Fulbright declared during a Senate Foreign Relations Committee confirmation hearing last Thursday. "I regret the obsession with ideological aspects that interfere with our national interests."

Ironically, Fulbright was castigating Philip H. Trezise, the Nixon Administration's nominee to be Assistant Secretary of State for Economic Affairs, who last year had testified before Congress on behalf of liberalizing U.S. trade restrictions against Communist Europe.

But Trezise is a representative of the State Department, and it was the Defense Department that carried the day at the May 2 NSC meeting.